

Message Text

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7242

C O N F I D E N T I A L MANILA 11678

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E.O. 11652: GDS

TAGS: SGEN, RP

SUBJ: VETERANS CLAIMS

REF: STATE 205407

1. EMB APPRECIATES DEPT. ASSISTANCE IN OUR COMPLICATED AND SENSITIVE PROPOSAL TO AMEND PRESENT US/RP VETERANS CLAIM AGREEMENT. WE CONCUR WITH GENERAL THRUST OF ACTIONS SUGGESTED REFTEL.

2. HOWEVER, WE BELIEVE IT MAY BE IMPRUDENT TO SOUND OUT CONGRESSIONAL LEADERS ON PROPOSED AMENDMENT AT THIS STAGE. EMB WOULD FIRST LIKE TO REVIEW REVISED TEXT OF AMENDMENT TO EVALUATE ITS LIKELY ACCEPTABILITY XZOGOP AND INFWRMALLY DISCUSS IT WITH MARCOS BEFORE CONSULTING CONGRESS. IT IS POSSIBLE MARCOS MAY NOT AGREE WITH OUR APPROACH.

3. FOLLOWING ADDITIONAL COMMENTS FROM CERTAIN HISTORICAL INFO AND RECOLLECTIONS AVAILABLE AT EMB MAY BE HELPFUL RE QUERIES CONTAINED IN REFTEL.

4. IT APPEARS ORIGINAL \$31,000,000 ARRIVED AT RATHER HASTILY IN ORDER FOR PRESIDENT JOHNSON TO BE ABLE TO GIVE MARCOS MONEY ON VISIT TO WASHINGTON. RANDOM
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SAMPLING OF A SMALL NUMBER OF CLAIMS THAT HAD BEEN

PROCESSED WAS ACCOMPLISHED AND PROJECTION OF NAMES ON 1948 ROSTER WAS MADE. ADMINISTRATIVE EXPENSES WERE THEN ADDED TO THIS ESTIMATE TO ARRIVE AT \$31,000,000 FIGURE. THERE WERE APPROXIMATELY 262,000 NAMES ON 1948 FINAL REVISED ROSTER.

5. HOWEVER, WHEN GOP STARTED TO PROCESS AND PAY CLAIMS UNDER THE AGREEMENT, THEY FOUND THAT INDIVIDUALS COULD NOT BE LOCATED OR THE NECESSARY DOCUMENTS TO SUPPORT PAYMENT LACKING. WHILE GOP MADE GOOD FAITH EFFORT TO LOCATE AND PAY CLAIMS, THE LAPSE OF TIME SINCE WWII CREATED DIFFICULT SITUATION.

6. PHILIPPINE VETERANS SOURCES HAVE PREVIOUSLY CLAIMED THAT APPROXIMATELY 125,000 NAMES (ROUGH ESTIMATE) WERE DELETED FROM 1948 ROSTER. RECENTLY, (MAY 1974) THE PHILIPPINE DEPARTMENT OF THE AM LEGION ARRIVED AT FIGURE OF 35,000 NAMES WHICH HAD BEEN DELETED FROM 1948 ROSTER AND WHICH THEY BELIEVE ARE ENTITLED TO SOME TYPE OF BACK PAYMENT FOR WWII GUERRILLA SERVICE. THE LIST OF 1,000 NAMES SUPPLIED TO AMB BY PRES. MARCOS WAS PROVIDED IN RESPONSE TO REQUEST THAT PHILIPPINES DETERMINE REASONABLE NUMBER OF DESERVING VETERANS. BOTH THE 1,000 AND 35,000 FIGURES ARE INCLUDED IN ORIGINAL 125,000.

7. IT SHOULD BE NOTED THAT EMB PROPOSED AMENDMENT WOULD ALLOW GOP TO ENTERTAIN CLAIMS ONLY FROM INDIVIDUALS DELETED FROM 1948 ROSTER. SINCE 1948, VA ESTIMATES ANOTHER 1,000,000 INFORMAL CLAIMS HAVE BEEN FILED. OF THESE, THE PHILIPPINE VETERANS ADMINISTRATION HAS CLASSIFIED 12,684 AS QUOTE DESERVING VETERANS UNQUOTE AND HAVE PROVIDED PHILIPPINE REPEAT PHILIPPINE VETERANS BENEFITS. EMB PROPOSED AMENDMENT WOULD HAVE NO AFFECT ON SUCH POST-1948 ROSTER CLAIMANTS.

8. FUNDS PROVIDED IN 1967 WERE GIVEN TO GOP WITH NO RECAPTURE RIGHTS AND U.S. HAS NO LEGAL GROUND TO ASK FOR RETURN OF UNEXPENDED FUNDS. GOP PRESENTLY UTILIZING INTEREST RECEIVED ON UNEXPENDED FUNDS FOR WORTHWHILE
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PHILIPPINE VETERANS PROJECTS SUBJECT TO APPROVAL BY PRES. MARCOS.

9. WHILE GOP HAS ENCOUNTERED DIFFICULTY IN LOCATING INDIVIDUALS AND DOCUMENTING CLAIMS UNDER PRESENT AGREEMENT, EMB BELIEVES THAT BY ENLARGING BASE OF POSSIBLE CLAIMANTS, FURTHER CLAIMS CAN AND WILL BE PAID. ALSO, BECAUSE OF WHAT APPEARS TO HAVE BEEN A SOMEWHAT ARBITRARY

METHOD WHICH U.S. ARMY UTILIZED IN PREPARING THE FINAL REVISED 1948 ROSTER, EMB PROPOSED AMENDMENT MAY RECTIFY SOME MISTAKES, PROVIDE A MORE EQUITABLE OVERALL PAYMENT OF CLAIMS. PROVIDE TANGIBLE EVIDENCE OF USG INTEREST IN ASSISTING GOP IN THIS RATHER MURKY AREA AND PROVIDE MEANS TO EXPEND FUNDS THAT MAY OTHERWISE REMAIN DORMANT. MOST OF ALL, HOWEVER, IT IS DESIGNED TO BE RESPONSIVE TO PRES. MARCOS' REQUEST AND EXTRICATE THE USG FROM FURTHER INVOLVEMENT IN PROBLEMS OF PHILIPPINE VETERANS CLAIMS. WE WOULD, IN EFFECT, BE PUT IN BETTER POSITION TO COUNTER ANY FURTHER GOP IMPORTUNING OF USG, ON GROUNDS THAT PROBLEM NOW SUBSUMED BY GOP WHICH HAS MEANS TO RESOLVE THROUGH USE OF U.S. FUNDS ALREADY PROVIDED.

10. ACTION REQUESTED: FORWARD ASAP A DRAFT OF REVISED AMENDMENT AND SUSPEND ACTION ON CONSULTATIONS WITH CONGRESSIONAL LEADERS AND CIRCULAR 175 REQUEST.
SULLIVAN

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